Manitoba

Speech from the Throne

At the Opening of the
Second Session of the Thirty-Fifth
Legislature of the Province of Manitoba

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MR. SPEAKER AND MEMBERS OF THE MANITOBA LEGISLATURE:

I welcome you to the Second Session of the Thirty-Fifth Legislature of the Province of Manitoba.

It has been less than five months since the opening of the First Session of this Legislature. Thanks to the cooperation of all parties during the session and the unstinting efforts of my Ministers between sessions, we have returned to the traditional budget cycle. This is important not only in terms of good management, but also in its effect of improving the accountability of my Government through you to the people you represent.

A STRONGER MANITOBA

My Government remains committed to building a stronger Manitoba. That commitment springs from the faith of every member of my Government in the people of this province and their future.

We enjoy tremendous good fortune in Manitoba. Our whole province is a massive storehouse of natural resources. We have plentiful amounts of untapped potential in hydro and mineral resources. We have vast stretches of forest and fertile soils that produce some of the highest quality crops in the world. Our lakes and rivers still support strong commercial and sport fisheries in addition to extensive recreational use.

Our economy is the most stable and diversified in the country. We have a strong evolving manufacturing sector. We have diverse agriculture, forest and mineral sectors. We remain a significant centre for financial services, transportation and communications. Our diversity protects us from the boom and bust economies of our neighbours to the West.

We have an unequalled quality of life in this province. We have clean air and wide open spaces. We have a reasonable pace that allows us time for family, friends and our communities. Our cities have all the amenities of larger centres without the traffic jams, pollution and inflated real estate prices.

And we have our people. Manitobans have always found a balance between individual effort and community involvement. The first settlers and the natives who met them understood this. It was individual effort that broke the fields that built our agricultural economy and then pursued the commercial opportunities that made Winnipeg the "Gateway to the West". Yet there is also a strong tradition of community involvement expressed through barn raisings and quilting bees, pools and co-ops, and socials and fowl suppers that is uniquely Manitoba.

These strengths, added together, give our province a vast unrealized potential, a potential my Government is determined to turn into reality.

My Government is determined to build upon that spirit to get this province moving in the right direction once again. This province has been known as a land of opportunity in the past. My Government is committed to ensuring it remains a land of opportunity for years to come.

That is no easy challenge.

As I will outline in the course of this address, we face a very real threat to our future prosperity.

My Government's efforts toward securing a stronger Manitoba are aimed at building a strong economy that will provide jobs and economic opportunities for Manitobans in every region of this province while generating the wealth we need to support high quality health, education and social services.

The foundation of that strong economy is the province's fiscal strategy. We need a stable and competitive economic climate to attract investment to this province and to generate jobs and economic growth.

The recession and reductions in federal transfers are putting serious pressure on our province's finances and jeopardizing the success we have achieved thus far.

Although my Government has a wide-ranging agenda to pursue throughout the full range of government activity, no one challenge is more fundamental to my Government's plans to reach our province's potential than the challenge of keeping the government's finances under control.

THE RECESSION

This Session begins in the midst of the most serious economic decline in a decade. Unlike the 1981-82 recession, which hit the Western provinces especially hard, this recession has been centred in Central Canada. Starting in Ontario and Quebec in the second quarter of 1990, the recession spread to Manitoba by the fall.

Increased bankruptcies, lowered investment and reduced sales are just some of the impacts on Manitobans. Fortunately, our employment rate has been less dramatically affected than in the past. In January, some ten months after the national recession began, Manitoba's unemployment rate was 7.8%, second lowest in the country and just half a percent higher than the average unemployment rate in the peak years of economy from 1985 to 1989.

The terrible tragedy of this recession is that it has been self-inflicted through deliberate policies of the federal government, primarily the Bank of Canada's high interest rate policy. Although interest rates are now at their lowest level in two and a half years, a further drop of about two percentage points is needed to narrow the difference between U.S. and Canadian rates.

The lower rates we are already experiencing are expected to give rise to increased purchases of houses and other durables and increased investment by business within the next few months. A reduced spread between Canadian and U.S. interest rates should allow the value of the dollar to moderate, benefitting Canadian export industries. Altogether, these effects are expected to end the recession by this summer.

My Government is committed to taking an active role working with Manitoba businesses to bring about a recovery as quickly as possible.

ECONOMIC GROWTH — JOBS FOR OUR FUTURE

Creating new and better jobs remains the foremost goal of my Government's economic agenda. My Ministers will continue their efforts to implement the economic plan laid out at the beginning of the last session.

My Government will not fall prey to the momentary lure of short-term make-work programs. It will continue to work with the private sector to create long-term jobs that will provide a foundation for the future instead of a mortgage on it.

There will be increased emphasis on major strategic development initiatives in Manitoba, and organizational adjustments to improve the focus and coordination of these initiatives.

The high priority for the successful health industry and aerospace strategic initiatives will be maintained.

A new development strategy to capture emerging opportunities in the telecommunications and information industry will be launched in partnership with the private sector, university, and telecommunications and government agencies.

There will be increased efforts to advance an environmental industries development strategy, as part of the Government's broad thrust in sustainable development.

My Government will move up its plans to establish the Manitoba Innovations Council to provide a greater focus on the important role of science and technology in fostering economic renewal.

My Government recognizes the Tourism industry as key to Manitoba's economic development and will work to negotiate and secure a new Tourism Agreement with the Federal Government.

Trade will continue to remain an important focus. Manitoba will work closely with federal negotiators in an effort to salvage a significant outcome in agriculture from the current Multilateral Trade Negotiations.

My Government will also closely monitor the current Canada/US/Mexico Free Trade negotiations to ensure that Manitoba's interests are advanced.

Over the past few weeks my Ministers have participated in a series of announcements regarding new investments in Manitoba which illustrate the progress that is being achieved despite the recession.

Symbolic, perhaps, is MacLeod-Stedman's decision to relocate their headquarters to Manitoba. It has been far too long since we gained a head office in Manitoba.

Agriculture has been the foundation of our economy since the days of the first settlers. The richness of the land can continue to provide opportunities to enhance our economy.

The Manitoba Government will work with producers and industry to bring greater strength and stability to the agriculture sector.

My Government's strategy for agricultural stability includes continued diversification of crop and livestock production, new ventures into value-added processing, greater emphasis on risk management and aggressive marketing of Manitoba products. To sustain the industry's long-term viability, the Government will continue to promote production and processing methods that conserve and enhance the quality of Manitoba's soil and water resources.

As part of this effort, an Agricultural Diversification Task Force will be established.

As the industry moves toward greater long-term stability, my Government will help farmers cope with the more immediate problem of low farm income caused by low international grain prices and weak export markets by commiting to a major effort to provide income support through the recently announced federal/provincial gross revenue insurance plan that builds upon the existing crop insurance and tripartite programs.

The economic plan outlined last fall is well underway. But its success remains threatened by the worsening position of our province's finances.

THE FISCAL CHALLENGE

The most direct impact of any government on its economy is through its taxes. Manitoba's economy is already hindered by one of the highest levels of taxation in the country.

We have the second highest personal income taxes in the country. We have the highest corporate income taxes for both large and small business. We have a tax on investment and a tax on jobs. We have virtually every tax implemented by anyone anywhere in Canada.

We cannot raise taxes further if we want to build a strong economy.

In January, the Minister of Finance took the unprecedented step of opening his books prior to the budget process so that Manitobans would have a clear understanding of the difficult choices before us.

Provincial revenues will experience no growth this year.

Although my Minister of Finance had indicated this would be a difficult year in his advance forecasts, the economic recession and reductions in federal transfers have worsened an already difficult situation.

My Government intends to fight these federal decisions that are jeopardizing our progress.

Like many Canadians, my Government's hopes were raised by the Prime Minister's recent call to protect national standards. Those hopes were dashed by the current federal budget. The Federal Government is continuing its policy of reducing cash transfers for health care and post-secondary education, lowering the national commitment to programs they seek to protect.

These cuts in transfers are even more damaging as they take place at a time when the Federal Government has placed an artificial ceiling on equalization programs. Should these policies continue, we will soon see the erosion of Canada's social safety net into a two-tier system. Canadians in wealthier provinces will make up for federal cuts with their relative wealth while less wealthy provinces are left without sufficient resources to provide the current level of care we currently provide.

That is not acceptable to my Government. Indeed, it is not acceptable to most Canadians.

Last year, my Government participated in a successful court challenge to the Federal Government's unilateral attempt to limit Canada Assistance Plan payments.

My Government will seek out additional legal vehicles to fight these destructive federal policies.

In addition, my Government will continue to work closely with other provincial governments and with groups and individuals who share its concern to put pressure on the Federal Government to change its policy. My Government's top priority in these efforts will be to restore the practice of fully funded equalization to stop the threat to national standards.

Finally, my Government has established a Cabinet Committee for Federal Provincial Economic Relations. One of this committee's top priorities will be to look for ways of maximizing recoveries from the federal government through a variety of means including restructuring current provincial programming to more effectively utilize existing cost-sharing agreements.

My ministers on this committee inform me that new agreements on mineral development and forestry are near completion.

While my Government is hopeful it will be able to reverse this trend of declining federal support, there is still an immediate problem before us. We must find more money for agriculture, for health care, for post-secondary education and many other programs with less support coming from equalization and no growth in our own revenues.

The impact of the recession and federal cutbacks are largely out of our direct control. Our debt is not.

We have no one to blame but ourselves for the fact that in the middle of a recession we will spend approximately $600 million just to pay the interest on our debt.

With a ten billion dollar debt, we can not afford to allow our deficit to grow much beyond its current level unless we are willing to fall into the debt spiral that has trapped the federal government for the last decade or more.

The reality is we must manage within the basic limits of the money already available to the province.

My Government will approach this task with two goals in mind.

The first consideration in every case will be the impact on the people government serves. While it is not possible to eliminate totally any impacts on services, my Government will seek every means available to minimize these effects.

The second goal will be to protect the people who deliver these services. The quality of our health, education, and social services systems is directly related to the skill, commitment and compassion of the people who serve in those systems. My Government recognizes the important contribution these thousands of Manitobans make to our province.

My Government will not let financial pressures jeopardize the services most needed by Manitobans.

My Government has developed three approaches to help achieve the goal of minimizing the impacts on individual Manitobans.

Through internal reform, we will move to a results-based government. We have to find new and better ways to deliver services to Manitobans so that every tax dollar is used to its greatest effect.

That will involve looking for ways to reduce overhead and administration. It means reducing duplication of related programs in different branches of government. It means developing new delivery mechanisms and innovative management approaches.

It also takes time.

Possible savings that may be achieved through internal reform are being identified now through a reformed estimates process. But many of these savings may not be realized until next year's budget or even later.

Internal reform is primarily a long-term approach to dealing with our fiscal difficulties.

One of the realities we must face is that the provincial government simply doesn't have enough money to do all the things it is currently doing, let alone enough to do them well.

We are now at a time when we must distinguish between the services we would like the government to provide and the services we need the government to provide.

My Government is committed to protecting vital social services like health, education and services to vulnerable Manitobans. With no additional revenues expected in this coming year, the government will have to find savings elsewhere to fund increases in essential services.

And there is a very real limit to those savings.

That is why my Government has set a three percent envelope on public sector wage settlements. My Government is asking public sector employees to moderate their short term salary expectations so that we can preserve the greatest number of jobs and services possible.

These three steps, internal reform in government, clear spending priorities and public sector wage restraint will ensure Manitoba emerges from the recession with its finances in order and its most essential services protected.

Although it is of fundamental importance that we meet the fiscal challenge that has been heightened by the recession, the government remains committed to its broader agenda of strengthening our province in every way.

My Government's top priorities remain health care, education, and family services.

HEALTH CARE AND FAMILY SERVICES

My Ministers advise me that new approaches are required to maintain and enhance the health of Manitobans. Significant improvements in health status, such as the dramatic reduction in the prevalence of heart disease, have not come about because of the major funding increases provided to health care services over the last two years but mainly because of factors outside the health care system. Manitobans are healthier because they are living healthier lifestyles and because of policies and programs to prevent ill health and to promote good health.

My Government will take strong measures to build on this trend through the development and enhancement of public policy aimed at keeping Manitobans healthy.

My Government will build on actions taken to improve mental health services through a provincial mental health strategy that will see the implementation of bold and innovative plans to provide services in a community setting to enhance the care and treatment of people suffering from mental illness.

Amendments to part II of the Mental Health Act will be introduced in this session to better protect the rights of the province's mentally handicapped citizens.

My Ministers advise me that, as a result of broad consultations on substance abuse, the "war on drugs" will focus on innovative community-based prevention and treatment programs. Partnerships will be developed among Ministries and the community to attack the root causes of substance abuse.

A child health development strategy will be implemented to improve the health of Manitoba's children by addressing the known links between poverty, family violence, family dysfunction, physical and mental illness and other risk factors.

My Government will continue to maintain a strong commitment to family life and to the family unit as the critical focus for provincial social services and income assistance programs. Strengthening and supporting Manitoba families and helping Manitobans help themselves are among my Government's highest priorities.

My Government places a high priority in encouraging, assisting and supporting dependent families and individuals to grow in their ability to live their lives with greater independence.

EDUCATION

Major social, economic, cultural and demographic changes underway in our country require us to examine the kinds of skills and knowledge Manitobans will need to flourish in this new environment. Our province needs effective, highly skilled, technologically literate, and adaptable people if we are to meet the challenges and opportunities of a modern, global society.

Our education system must be more responsive to the challenges and opportunities that will emerge in the 21st Century. At the heart of this renewal is the belief that people are the most important resource in our province. With the support of our partners in education, My Ministers will ensure that our education system is capable of providing equitable opportunities for all Manitobans to develop the skills and knowledge to fully participate. Our education system will aim at increased levels of literacy and other basic skills, increased completion rates, increased levels of knowledge in science and technology and environment, and increased gender equity.

To renew our education system, my Government will carry out, over the next five years, major initiatives which will address the entire spectrum of elementary and high school education, advanced training and skills development, and university education. The renewal of the education system begins this year.

A new finance model which provides for more equitable funding, better control of funding levels and greater accountability will be developed.

School boundaries will be reviewed to ensure they reflect today's needs for the effective delivery, and the provision of the best possible educational opportunities.

The completion of the Task Force on Governance of Francophone schools is expected by this summer. My Government will review the report's recommendations and determine an appropriate course of action to bring forward legislative changes as necessary.

My Government will introduce The Colleges Act which will incorporate the colleges under individual Boards of Governors to allow the colleges to meet the increasing demand for new skills and life long learning.

A review of university education will be started to seek ways of enhancing the role of universities in the economic, social and cultural development of Manitoba.

My Government intends to promote distance education and technologies to enhance accessibility of programs throughout the province, and to pool resources to address the needs of students at risk, special needs students and other groups.

CURRENT INITIATIVES

My Government will be presenting a comprehensive package of Legislation to the House this Session, together with a set of initiatives to better serve the people of Manitoba.

My Ministers advise me that two very important reports on the state of justice in the province are expected to be received shortly. The Aboriginal Justice Inquiry is nearing the end of its labours. My Ministers, in cooperation with the Aboriginal community and the federal government, will work diligently to overcome the problems in the justice system identified by the Inquiry.

My Ministers also anticipate receiving the Report of the Review on Domestic Violence. My Ministers will work with the courts, the police and indeed all Manitobans to ensure that everything possible is done to protect spouses and children from abuse.

My ministers will introduce major amendments to the City of Winnipeg Act to improve the efficiency and effectiveness of the city government through a smaller City Council and new ward boundaries. Major amendments to the City of Winnipeg Act to give the City more autonomy in its planning function and to give its citizens greater opportunity to appeal on City planning decisions will also be introduced.

Amendments to The Public Utilities Board Act will be introduced this session to allow service to be disconnected from delinquent commercial and residential natural gas customers. Implementation of the policy will not put any individual who is having legitimate financial difficulties at risk, particularly in winter.

During this session my Government will be tabling Manitoba's first State of the Environment report. With input by some seventy scientists from a variety of disciplines, this report, the first attempt to characterize the conditions of our environment, will reflect on the impact and trends of over a century of development and change in Manitoba. This benchmark will help Governments to assess the progress Manitoba is making towards sustainable development.

During this Session a new Mines and Minerals Act will be introduced to encourage, promote and facilitate the exploration and development of minerals and mineral products in Manitoba. The new Mines and Minerals Act will embody the principles of sustainable development to ensure future mineral development fully incorporates environmental concerns and protection.

My Ministers inform me that through a recent reorganization my Government has created a focus for government activities supporting New Canadians in the Department of Culture, Heritage and Citizenship.

The renamed department will continue to retain responsibility for recreation including the introduction of a policy on recreation during the course of this session which recognizes that development grows from individual and community choices and partnerships.

In 1991, we are commemorating the 75th anniversary of women's suffrage in Manitoba. On January 28, 1916, a majority of the province's female population won the right to vote, setting a precedent for the country. The contributions of women to our province's history will be marked with a host of events on Manitoba Day, May 12.

OUR CONSTITUTIONAL FUTURE

Next year, in 1992, we will join our fellow citizens in celebrating Canada's 125th anniversary as a nation. In the coming months, we will also join with Canadians in the other provinces and territories in a profoundly important debate on the future of our country. The all-party Manitoba Constitutional Task Force was established to assist the government and people of our province to make the most constructive contribution possible to that debate. The Task Force began its work earlier this year and has already heard a wide range of recommendations on priorities for constitutional reform.

Although the work of the Manitoba Task Force and of other consultative groups across the country is not yet complete, it has become clear that constitutional change is both inevitable and essential. Canada's constitution must be reformed if our country is to overcome the divisions which are undermining our unity and our economic progress.

As well, the process of constitutional change must be made more open to public scrutiny and public involvement. Through its rules requiring public hearings on constitutional amendments, the Manitoba Legislature has shown leadership in public participation and has established a model which other provinces and the national government should consider carefully for all future constitutional change.

However, constitutional reform is not enough, on its own, to assure the continued unity of Canada. In the end, unity is a matter of will, of commitment, of consensus.

We and our partners in confederation must be willing to reach out to one another, to listen with respect to each other's aspirations, to respond honestly and constructively, and to work together to find positive solutions.

Consistently, Manitobans have shown that kind of will and commitment to Canada, and we shall continue to do so. If other Canadians, in the west, in the north, in Ontario, in Quebec, and in the Atlantic are prepared to do the same, our 125th anniversary year can mark the rebirth of a stronger, fairer and more united Canada.

A TIME OF DECISION

Mr. Speaker, this session of the Thirty-Fifth Legislature will be a time of decision involving every member of this House.

My Government remains firm in its faith in the people of our province and our future.

We are blessed with a vast untapped potential my Government is determined to realize.

In my opening address to the First Session of this Legislature, my Government laid out its overall approach to economic development. Despite the current recession progress is being made.

But that progress is threatened by increased pressure on our provincial finances.

With no revenue growth, reduced federal transfers and growing interest costs, my Ministers inform me that our province is in danger of becoming ensnared in a trap of spiralling debt costs that will rob us of our chance for economic prosperity and limit our ability to protect even the most fundamental social services.

In its forthcoming budget, my Government will set out for your approval a plan that will avoid that trap. The budget will continue our province's progress to a stable economic climate and the growth that comes with it.

To reach that goal, this Legislature will be asked to support some difficult but necessary decisions.

With our limited revenues, you will have to make choices between what you might like the government to do and what you feel the government must do.

The government will not be able to pick up the costs of federal cutbacks. My Ministers will fight to preserve federal programming but they cannot replace it.

And in these difficult times, my Government will direct its limited resources towards saving jobs rather than paying more to those with jobs.

These are not easy choices but they cannot be avoided. There is no more money. Your challenge is to spend what you have well.

It will not be an easy time, but it is an important time and your success will set the stage for our province to move forward once again.

Estimates for the requirements for the public service of the province for the next fiscal year will be placed before you for your consideration.

I leave you now to the faithful performance of your many duties and trust that in meeting them you may have the guidance of Divine Providence in all your deliberations.